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**China Baoli Technologies Holdings Limited**

**中國寶力科技控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 164)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
75% EQUITY INTEREST OF TRAVELIKER.COM LIMITED  
INVOLVING THE ISSUE OF  
CONSIDERATION SHARES UNDER GENERAL MANDATE**

**THE TRANSACTION**

The Board is pleased to announce that on 11 August 2017, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor and the Vendor Guarantor entered into the Share Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing 75% of the entire issued share capital of the Target Company, for an aggregate Consideration of HK\$300,000,000, which shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$0.179 per Share to the Vendor or its nominees in accordance with the terms and conditions of the Share Purchase Agreement.

The Consideration Shares will be issued under the General Mandate and will rank pari passu in all respects with all the Shares then in issue.

An application for the listing of, and permission to deal in, the Consideration Shares will be made by the Company to the Stock Exchange.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceeds 5% and all of such ratios are below 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that the Transaction is subject to satisfaction of certain Conditions Precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 11 August 2017, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor and the Vendor Guarantor entered into the Share Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing 75% of the entire issued share capital of the Target Company, for an aggregate Consideration of HK\$300,000,000, which shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$0.179 per Share to the Vendor or its nominees in accordance with the terms and conditions of the Share Purchase Agreement.

## **THE SHARE PURCHASE AGREEMENT**

Principal terms of the Share Purchase Agreement are set out below:

### **Date**

11 August 2017

### **Parties**

- (i) the Purchaser;
- (ii) the Vendor; and
- (iii) the Vendor Guarantor

The Vendor Guarantor holds the entire issued share capital of the Vendor, and the Vendor Guarantor is a party to the Share Purchase Agreement to act as a guarantor for the Vendor thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor and the Vendor Guarantor are independent of the Company and connected persons of the Company as at the date of the Share Purchase Agreement.

### **Assets to be acquired**

Pursuant to the Share Purchase Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing 75% of the entire issued share capital of the Target Company as at the date of the Share Purchase Agreement.

## Consideration

The Consideration payable by the Purchaser shall be HK\$300,000,000, which shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$0.179 per Share to the Vendor or its nominees in accordance with the terms and conditions of the Share Purchase Agreement in the following manner:

- (i) 1,508,379,888 Shares shall be allotted and issued to the Vendor or its nominees on Completion (the “**First Tranche Consideration Shares**”); and
- (ii) the remaining Consideration Shares (i.e. 167,597,765 Shares) shall be allotted and issued to the Vendor or its nominees (the “**Second Tranche Consideration Shares**”) within ten Business Days of the delivery to the Purchaser of the 2018 Accounts subject to the satisfaction of the following conditions (the “**Second Tranche Consideration Shares Conditions**”):
  - (a) the 2018 Accounts show that the revenue of the Target Company for the financial year ending 31 March 2018 is not less than HK\$6,000,000;
  - (b) the 2018 Accounts show that the gross sales proceeds related to service income of the Target Company for the financial year ending 31 March 2018 are not less than HK\$120,000,000; and
  - (c) the 2018 Accounts show that the Target Company does not record a net loss for the financial year ending 31 March 2018.

The Second Tranche Consideration Shares Conditions shall be deemed not satisfied if the 2018 Accounts are not delivered to the Purchaser on or before 30 September 2018 or such later date as the Purchaser may agree. In the event that any or all of the Second Tranche Consideration Shares Conditions is not satisfied, the Consideration shall be adjusted to HK\$270,000,000 and no Second Tranche Consideration Shares shall be allotted and issued.

## Issue Price

The issue price of HK\$0.179 per Share:

- (i) represents a premium of approximately 1.70% over the closing price of HK\$0.176 per Share as quoted on the Stock Exchange on the date of the Share Purchase Agreement;

- (ii) is identical to the average closing price of HK\$0.179 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Share Purchase Agreement; and
- (iii) represents a discount of approximately 2.19% to the average closing price of approximately HK\$0.183 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately preceding the date of the Share Purchase Agreement.

### **Basis of the Consideration**

The Consideration was determined on an arm's length basis under normal commercial terms pursuant to the negotiation between the Purchaser and the Vendor after taking into account, among others, the financial conditions and prospects of the Target Company. The Directors are of the view that the Consideration is fair and reasonable.

### **Consideration Shares**

The Consideration Shares, comprising 1,675,977,653 Shares in aggregate, will be allotted and issued under the General Mandate in accordance with the terms and conditions of the Share Purchase Agreement. Under the General Mandate, the Directors are allowed to allot and issue up to 6,511,439,123 Shares. Since the date of its grant and up to the date of this announcement, 1,947,848,837 Shares of the General Mandate have been utilised as to 1,395,348,837 Shares allotted and issued pursuant to the share purchase agreement dated 26 January 2017 and as to 552,500,000 Shares allotted and issued pursuant to the placing agreement dated 20 March 2017 (as amended on 21 March 2017). The remaining number of new Shares that can be allotted and issued under the General Mandate as at the date of this announcement is 4,563,590,286 new Shares. Upon completion of the allotment and issue of the Consideration Shares, 2,887,612,633 Shares under the General Mandate will remain unutilised by the Company. Accordingly, the allotment and issue of the Consideration Shares is not subject to any further approval by the Shareholders. The Consideration Shares represent approximately 4.86% of the issued share capital of the Company as at the date of this announcement and approximately 4.63% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Consideration Shares will be credited as fully paid and free from all encumbrances and will rank pari passu in all respects with all the Shares then in issue.

An application for the listing of, and permission to deal in, the Consideration Shares will be made by the Company to the Stock Exchange.

### **Lock-up undertaking**

Pursuant to the Share Purchase Agreement, each of the Vendor and the Vendor Guarantor undertakes that the Vendor shall not, and shall procure its nominee not to, without the prior consent of the Company and the Purchaser, sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, or otherwise transfer, dispose of or create any right over, or agree to transfer, dispose of or create any right over, or repurchase any of the relevant Consideration Shares or any interest therein, or deposit any of the relevant Consideration Shares with a depository in connection with the issue of depository receipts, or enter into any swap or other arrangement that transfers to any party, in whole or in part, any of the economic consequences of ownership of any of the relevant Consideration Shares or any interest therein in, enter into any transaction with the same economic effect as any transaction specified in this paragraph, or offer to or agree to or announce any intention to effect any transaction specified in this paragraph, for a period commencing from the date of allotment and issue of the First Tranche Consideration Shares up to and including the date of first anniversary of the date of allotment and issue of the First Tranche Consideration Shares (in respect of the First Tranche Consideration Shares), and for a period commencing from the date of allotment and issue of the Second Tranche Consideration Shares up to and including the date of first anniversary of the date of allotment and issue of the Second Tranche Consideration Shares (in respect of the Second Tranche Consideration Shares).

### **Non-compete undertaking**

Each of the Vendor and the Vendor Guarantor covenants with the Company and the Purchaser that it shall not, and shall procure each of its Associates shall not, for so long as it or any of its Associates holds any interest in the Target Company and for a period of 365 days after the date on which it and any of its Associates cease to hold any interest in the Target Company, directly or indirectly, in any capacity:

- (i) be concerned in any business or carrying on business in Hong Kong which is competitive with the business of the Target Company at Completion;

- (ii) canvass or solicit services similar to those being provided by the Target Company at Completion or at any time within the period of 365 days prior to Completion from any person who is at Completion or has been at any time within the period of 365 days prior to Completion a customer of the Target Company;
- (iii) induce or attempt to induce any person, who is at Completion or has been at any time within the period of 365 days prior to Completion a supplier of goods or services to the Target Company, to cease to supply, or to restrict or vary the terms of supply, to the Target Company;
- (iv) induce or attempt to induce any person who is at Completion or has been at any time within the period of 365 days prior to Completion a director or senior employee of the Target Company to leave the employment of the Target Company; or
- (v) employ or attempt to employ any person who is at Completion or has been at any time within the period of 365 days prior to Completion a director or senior employee of the Target Company.

### **Conditions Precedent**

The obligation of the Purchaser to proceed to Completion is subject to the satisfaction or, if applicable, waiver by the Purchaser of the following Conditions Precedent:

- (i) the Purchaser having been satisfied with the results of its due diligence reviews of the Target Company;
- (ii) the Listing Committee having granted the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange;
- (iii) the warranties given by the Vendor and the Vendor Guarantor to the Purchaser in the Share Purchase Agreement remaining true and accurate;
- (iv) no notice, order, judgment, action or proceeding of any authority having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Share Purchase Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the Sale Shares, free from encumbrances, following the Completion Date; and

- (v) the Registrar of the Travel Agents of Hong Kong and the Travel Industry Council of Hong Kong having granted their approval in respect of the change of ownership or control of the Target Company or the Target Company's business contemplated under the Share Purchase Agreement.

The Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the Conditions Precedent (except the Conditions Precedent set out in paragraph (ii) and paragraph (v) above, which cannot be waived) by notice in writing to the Vendor.

If the Conditions Precedent set out in paragraph (ii) and paragraph (v) above are not satisfied on or before the Long-Stop Date or any of the other Conditions Precedent is not satisfied or waived on or before the Completion Date, the Share Purchase Agreement shall automatically lapse, provided however that (a) the surviving provisions as stipulated under the Share Purchase Agreement shall continue in force following the lapse of the Share Purchase Agreement; and (b) the lapse of the Share Purchase Agreement shall be without prejudice to the rights and liabilities of any party to the Share Purchase Agreement accrued prior to such lapse.

### **Completion**

Subject to the fulfillment or waiver (as the case may be) of all the Conditions Precedent, Completion shall take place on the third Business Day after satisfaction, of the Conditions Precedent set out in paragraph (ii) and paragraph (v) above (or such other date as the Purchaser may designate).

Upon Completion, the Group will hold 75% of the equity interest of the Target Company and the Target Company will become a subsidiary of the Company and its financial results will be consolidated into the Group's financial information.

### **Application for Listing**

The Consideration Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue at the time of allotment and issue of the Consideration Shares. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

## EFFECT ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after the allotment and issue of (a) the First Tranche Consideration Shares only; and (b) the First Tranche Consideration Shares and the Second Tranche Consideration Shares is as follows:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the First Tranche Consideration Shares		Immediately after the allotment and issue of the First Tranche Consideration Shares and the Second Tranche Consideration Shares	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Lui Lai Yan ( <i>Note 1</i> )	169,825,000	0.49	169,825,000	0.47	169,825,000	0.47
Yeung Chun Wai, Anthony ( <i>Note 1</i> )	899,387,205	2.61	899,387,205	2.50	899,387,205	2.49
Nova Investment Group Limited ("Nova Investment") ( <i>Note 1</i> )	1,521,007,187	4.41	1,521,007,187	4.22	1,521,007,187	4.20
One Faith Investments Limited ("One Faith Investments") ( <i>Note 2</i> )	2,086,700,000	6.05	2,086,700,000	5.79	2,086,700,000	5.77
The Vendor (or its nominee)	–	–	1,508,379,888	4.19	1,675,977,653	4.63
Other public Shareholders	29,828,125,062	86.44	29,828,125,062	82.83	29,828,125,062	82.44
Total	<u>34,505,044,454</u>	<u>100</u>	<u>36,013,424,342</u>	<u>100</u>	<u>36,181,022,107</u>	<u>100</u>

### Notes:

- (1) As at the date of this announcement, Nova Investment is interested in 1,521,007,187 Shares. The issued share capital of Nova Investment is wholly owned by Ms. Lui Lai Yan, who is the spouse of Mr. Yeung Chun Wai, Anthony, an executive Director.
- (2) As at the date of this announcement, One Faith Investments is interested in 2,086,700,000 Shares. The issued share capital of One Faith Investments is wholly owned by Mr. Zhang Yi, an executive Director and the Chairman of the Company.

## **INFORMATION ON THE PURCHASER AND THE GROUP**

The Purchaser is a wholly-owned subsidiary of the Company. The Group is principally engaged in mobile technologies business, leisure-related business including tourism and hospitality, gamma ray irradiation service and securities trading and investment.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company incorporated in Hong Kong with limited liability. It is principally engaged in the business of provision of an online travel product booking platform. As at the date of this announcement, the Target Company is held as to 75% by the Vendor.

The Target Company is one of the leading air ticket consolidators offering over 300 airlines' discounted fares for all domestic flights and international flights originating from Hong Kong to locations in Asia, America, Europe, Africa, South Pacific and Middle East, and it collaborates with different global airlines to obtain special offers for its customers. As a "one stop service" platform, the Target Company also provides travel insurance, pocket Wi-Fi rental and travel equipment services. Customers can start their journey any time as the Target Company offers 24-hour instant online booking service, with the latest Universal API technology, its system is capable of returning a search query within 10 seconds on average.

Other than different choices of travel products, the Target Company updates its own blog and fan pages on Facebook, Instagram and Weibo everyday with latest travel experience and attraction introductions. The average impression of its platform was over 400,000 per month. 76,000 fans are following its Facebook fan page.

As at the date of this announcement, the Target Company is a 100% Hong Kong local travel agent and is registered with the Travel Agents Registry of Hong Kong.

### **Financial information of the Target Company**

Based on the audited financial information of the Target Company, as at 31 March 2017, the total asset and net liabilities of the Target Company were HK\$10,884,999 and HK\$2,825,446 respectively.

Set out below are certain financial information of the Target Company for the period from 24 April 2013 (being the date of incorporation) to 31 March 2016 and year ended 31 March 2017 prepared in accordance with HKFRS:

	<b>For the period from 24 April 2013 to 31 March 2016 <i>HK\$</i> (audited)</b>	<b>For the year ended 31 March 2017 <i>HK\$</i> (audited)</b>
Net loss before taxation and extraordinary items	2,748,554	1,213,452
Net loss after taxation and extraordinary items	2,300,818	1,034,828

Upon Completion, the Group will hold 75% equity interest in the Target Company and the financial results of the Target Company will be consolidated into the Group's financial information.

## **REASONS FOR THE TRANSACTION**

The Company has always had a view that the global economic recovery will continue to remain sluggish. In particular, "Brexit" and the upcoming changes in global leaderships has added significant uncertainty to an already fragile global recovery. Nevertheless, the management of the Group believes that opportunities co-exist with challenges. The Group aims to continue to diversify its business to reduce the negative impact of the current global economy on its core businesses. In the meantime, the Group will also strengthen its existing core businesses.

To strengthen the tourism and hospitality business of the Group, the Group completed in March this year the acquisition of 75% equity interest of We Fly Travel Limited, which is principally engaged in the business of providing an online travel product booking platform. The Directors believe that the acquisition of the Target Company, which is engaged in the provision of travel agency services, will further strengthen the Group's tourism and hospitality business, and improve the business performance in the tourism and hospitality sector.

Furthermore, it is expected that the investment in the Target Company will have positive impact on the mobile technologies business of the Group as the Target Company's travel application function can also benefit the development of YotaPhone by the Group. Accordingly, the Transaction will promote the Group's tourism and hospitality business as well as its mobile technologies business and will help create a dynamic business model generating synergies between the two business segments, and ultimately bring growth to the Group's existing business with a view of generating promising returns to the Shareholders.

Accordingly, the Directors are of the view that the Transaction is conducted on normal commercial terms, is fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceeds 5% and all of such ratios are below 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that the Transaction is subject to satisfaction of certain Conditions Precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“2018 Accounts”	the audited financial statements of the Target Company for the financial year ending on 31 March 2018
“Associates”	has the meaning given to the term “close associate” in the Listing Rules

“Board”	the board of Directors
“Business Day”	a day on which commercial banks are open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and any weekday on which Typhoon Signal No. 8 or higher is hoisted or a black rain storm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.)
“Company”	China Baoli Technologies Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 164)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement
“Completion Date”	the date of Completion
“Conditions Precedent”	the conditions precedent to Completion as set out in the Share Purchase Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$300,000,000 to be paid by the Purchaser to the Vendor for the Sale Shares pursuant to the Share Purchase Agreement
“Consideration Shares”	collectively, the First Tranche Consideration Shares and the Second Tranche Consideration Shares
“Directors”	directors of the Company

“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with additional Shares at the annual general meeting of the Company held on 2 September 2016
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	the issue price of HK\$0.179 per Share
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for considering applications for listing and the granting of listing on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long-Stop Date”	30 November 2017, or such other date as may be agreed between the Purchaser and the Vendor in writing
“Purchaser”	Fine Sky Developments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“Sale Shares”	9,000 ordinary shares of the Target Company, representing 75% of the total number of issued shares of the Target Company

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Purchase Agreement”	the share purchase agreement dated 11 August 2017 entered into between the Purchaser, the Vendor and the Vendor Guarantor in relation to the Transaction
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Travelliker.com Limited, a company incorporated under the laws of Hong Kong with limited liability which holds a travel agents licence (licence number: 354024)
“Transaction”	the acquisition of the Sale Shares by the Purchaser from the Vendor and the transactions contemplated pursuant to and under the Share Purchase Agreement
“Universal API technology”	<p>Travelport Universal API provides access to a world of content and functionality through a single API connection.</p> <p>Universal API aggregates expansive content from multiple sources, including low cost carriers, unique hotel properties, branded fares and ancillary services, car and rail from travel providers worldwide. Access the business logic that includes search, pricing and profiling functionality, which resides in the platform in a shared environment</p>
“Vendor”	Gaia Solution Limited, a company incorporated in Hong Kong with limited liability

“Vendor Guarantor”

Mr. Kwan Chung Hong, a natural person who is ordinarily residing in Hong Kong

“%”

per cent.

By order of the Board  
**China Baoli Technologies Holdings Limited**  
**Yeung Chun Wai, Anthony**  
*Executive Director*

Hong Kong, 11 August 2017

*As at the date of this announcement, the executive Directors are Mr. Zhang Yi (Chairman), Ms. Chu Wei Ning (Chief Executive Officer), Mr. Yeung Chun Wai, Anthony and Mr. Wong King Shiu, Daniel; and the independent non-executive Directors are Mr. Wong Hoi Kuen, Mr. Chan Chi Yuen and Mr. Lee Chi Ming.*